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RUEHBR/AMEMBASSY BRASILIA 2029
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RUEHPG/AMEMBASSY PRAGUE 0570
RUEHUP/AMEMBASSY BUDAPEST 0508
RUEHSL/AMEMBASSY BRATISLAVA 0349
RUEHSG/AMEMBASSY SANTIAGO 0593
RUEHNE/AMEMBASSY NEW DELHI 1217
RUEHBJ/AMEMBASSY BEIJING 1703
RUEHMV/AMEMBASSY MONROVIA 7352
RUEHUJA/AMEMBASSY ABUJA 1198
RUEHNK/AMEMBASSY NOUAKCHOTT 1013
RUEHNM/AMEMBASSY NIAMEY 1162
RUEHLG/AMEMBASSY LILONGWE 0543
RUEHBP/AMEMBASSY BAMAKO 0994
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RUEHAR/AMEMBASSY ACCRA 0783
RUEHCO/AMEMBASSY COTONOU 0996
RUEHOR/AMEMBASSY GABORONE 0316
RUEHAN/AMEMBASSY ANTANANARIVO 1073
RUEHKM/AMEMBASSY KAMPALA 0427
RUEHDR/AMEMBASSY DAR ES SALAAM 0345
RUEHMR/AMEMBASSY MASERU 0228

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SIPDIS

FROM USOECD PARIS

STATE FOR EEB JONATHAN MUDGE AND NANCY SMITH-NISSLAY

STATE FOR S/CRS MASQUINO

E.O. 12958: N/A

TAGS: [FAID](#) [ECON](#) [KDEM](#) [OECD](#)

SUBJECT: Partnership for Democratic Governance - Readout on Second Steering Group Meeting

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¶1. Summary. The PDG Steering Group (SG) held its second meeting on May 7. Deputy Secretary General Amano chaired the gathering, which was attended by the nine SG countries, plus the UNDP. USOECD Charg d'affaires Paul Reid represented the USA. The Head of the PDG Advisory Unit (AU) presented (and delegates approved) a revised 2008-2011 budget of 6.8 million Euros for the eight-person AU, set to be fully staffed by mid-June. Discussions revealed two conflicting views on the AU work plan. Canada, supported by the USA and Chile, maintained the AU should agree upon a short list of recipient countries, initiate analysis, and identify pilot projects.

Denmark, supported by Poland and Mexico called for more work to define the PDG concept, before any further activity. Delegates ultimately compromised: the AU will respond to countries that request support, yet simultaneously work to further define the PDG concept. The Third PDG Steering Group is scheduled for October 16. End Summary.

¶2. OECD convened the Second PDG Steering Group meeting on May 7 in Paris; the first occurred on February 13 and 14. OECD Deputy Secretary-General Mario Amano chaired the meeting, at which Jerzy Pomianowski, the new Head of the PDG advisory Unit, led discussions. Steering Group members Chile, Poland, and Turkey were represented at the Ambassadorial level. All nine SG countries, plus the UNDP were represented. The SG member countries are: Australia, Canada, Chile, Denmark, Korea, Mexico, Poland, Turkey and the United States. PDG founding members Brazil, Japan, and the Inter-American

Development Bank participated.

Progress Report: AU's First Five Weeks

¶3. Since beginning operation in early April, the AU produced detailed documents on the following:

-- PDG Concept
-- PDG Methodology (from project genesis to lessons-learned)
-- Identification of Service Providers and Target Partner Countries
-- Results Framework (for measuring project success)
-- Program of Work and Budget for 2009-2010

"Focal point" representatives from the SG member countries met May 5 to review and provide comment on these documents, which were re-issued in revised form on May 7 for consideration by the SG.

-- Staffing, Budget, and Implementation Efforts

¶4. Prior to the May 7 substantive discussions on the documents, Pomianowski provided an update on AU staffing and budget, and SG members provided progress on their respective PDG implementation efforts. Amano and Pomianowski mentioned that the USG was the sole member to submit comments on the initial Concept Note and to respond to PDG questions raised at the first SG meeting. Pomianowski introduced two newly-hired technical advisors, and announced the selection of two more (one of whom is a U.S. national) who will join the AU staff by mid June. He presented, and delegates approved, a revised 2008-2011 budget of 6.8 million Euros, down from the initial estimate of 7.4 million, for the eight-person Advisory Unit. The

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revised budget still leaves an approximate 1.52 million Euro deficit gap vis-`-vis current pledged contributions. Pomianowski underscored the need to attract more contributing members to fill this gap.

¶5. Bjoern Foerde, Director of the UNDP's Oslo Governance Center, told attendees that UNDP regional bureaus will be key for PDG engagement at the local level. UNDP intends to give the AU direct access to support from its regional bureaus. Foerde said he expects Pomianowski's scheduled June visit to New York will help familiarize UNDP staff on the work of the AU. (Comment: While the UNDP representative spoke glowingly of PDG, his remarks rendered apparent the fact that so far UNDP has done little to implement PDG. End Comment.) Chilean Ambassador Pilar Armanet said Santiago recently held a seminar to familiarize senior civil servants with the PDG. Chile, she stressed, places great emphasis on south-south cooperation, and on institutional reform. Armanet suggested Haiti as a possible PDG recipient country.

¶6. Adair Heuchan of the Canadian International Development Agency said that Ottawa has provided information on PDG to its embassies abroad. She noted Canada places great emphasis on strengthening of the public sector. Heuchan called for an evaluation of PDG after its initial three-year period. She encouraged the AU to get moving quickly with pilot projects. Ambassador Ahmet Erozan said Turkey tasked some embassies to identify three potential PDG pilot projects by June 30. Ankara will subsequently review submissions and develop a short list.

¶7. Paul Reid, USOECD Charg d'affaires, said the USG wants to see timely, practical results. He urged the PDG to get started with pilot projects, and asked the SG to develop a short list during the meeting. Reid noted that the USG canvassed numerous embassies over the past several months, and filtered the responses into a short list that includes Liberia, Nigeria, Guatemala, Jamaica, and Grenada. He also noted that Somalia recently approached the USG with a request that might match PDG criteria.

¶8. Ambassador Jan Woroniecki told participants that Poland has canvassed its embassies in developing countries. Like Ankara, Warsaw will review and evaluate the proposals as they come in. Mexico Deputy Permanent Representative Bruno Figueroa said PDG is

still in the discussion phase in Mexico. He said the GoM is still working to understand how PDG fits with Mexican objectives. Japan noted that its Global Study on Effective Technical Cooperation for Capacity Development provides PDG-relevant information.

¶9. The Korean representative cited public governance as a major focus of the Korean Development Agency, noting that PDG is well-aligned with Korean thinking. The IDB representative suggested Guatemala, Nicaragua, Honduras, and Bolivia as possible recipient countries. He suggested that IDB profiles of Bolivia and Guatemala could prove useful for PDG analysis. The Australian representative said Canberra has been thinking about PDG internally, but was waiting for the May 7 SG meeting results before determining how to move forward.

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To Define or Implement (aka Fish or Cut Bait)

¶10. Steering Group discussions revealed a sharp split between members over the AU work plan for the next six months. Canada, supported by the United States and Chile, maintained that the AU needed to develop a short list of countries and initiate analysis of conditions therein so as to get started with pilot projects. Denmark, supported by Poland, Mexico, and to a lesser extent Australia and the UNDP, called for more work to define the concept, role and design of PDG before establishing a list of countries and/or identifying pilot projects.

¶11. Denmark underscored the need to maintain a long-term perspective, cautioning against "doing something just to do it." The United States expressed the fear that "without a short term, there won't be a long term." Deputy Secretary Amano noted the importance of political realities. He opined that governments spending money on PDG will need to see results in order to maintain commitment. PDG Advisory Unit Head Pomianowski ultimately secured consensus approval on a middle road: the AU will initiate dialogue with and analysis of countries that request support, yet simultaneously work to further define the PDG "concept framework and knowledge base."

PDG Six-month Horizon

¶12. In his summary of the SG meeting, Pomianowski said the AU will consolidate three meeting documents (Concept Note, Operational Model, Methodology) into one, to reflect member requests for a more comprehensive, but shorter and concise PDG document. He did not commit to a specific short-list of countries, but maintained that the AU would respond (i.e. initiate "mapping" or analysis) on countries that express interest. He informed delegates of his upcoming travel (June 6-11) to New York and Washington for discussions with UNDP and World Bank respectively. (Note. In Washington Pomianowski also plans to call on USAID, State Department, the Millennium Challenge Corporation, and the IFC. End Note.) He pledged to share an AU-produced PowerPoint briefing to assist SG members in their PDG outreach/ recruitment efforts, as well as to produce a PDG brochure.

¶13. Delegates agreed to hold the Third PDG Steering Group on October 16, preceded by a working group for focal point representatives on October 14.

¶14. Comment. We were pleased to see the AU produce a revised budget and solid documentation, and simultaneously make significant progress in hiring staff during its first five weeks of existence. Jerzy Pomianowski, the AU head, is a strong, active leader who shares U.S. views on the need to produce results. While the May 7 SG avoided the pointless debate on hypothetical advisory groups that plagued its February discussions, there still remained too much attention on "concept" and "definition" to suit our tastes. Fortunately Pomianowski shares our views, and appears determined to move forward in a practical manner. SG members should now encourage other countries, such as Japan, the UK, and France to join PDG as

contributing members. We should also ask select recipient countries to convey expressions of interest directly to the AU. End Comment.

Egan